



Private Landlords enjoying improved rental yields

17% to increase rents in the next three months due to demand

London 12th November: BDRC (www.bdrc.co.uk), a leading specialist market research agency, has just released the latest results from its quarterly survey of private landlords in the UK. Since October 2006 their independent research has measured the Buy-to-Let (BTL) and Private Rental markets in the UK by surveying the opinions, attitudes and expectations of more than 500 British landlords.

It's getting better for private landlords – slowly

14% of private landlords said prospects for the UK's private rental sector looked 'very good' up from only 10% in the fourth quarter of 2007. At 18% those reporting 'very good' prospects for rental yield over the next three months are still not as high as this time a year ago (22%) but have increased since the last quarter. The increased demand for rental properties and cheaper house prices have driven these measures up over the last three months, but the proportion seeing very good prospects for capital gains remains much lower than when the survey began in October 2006.

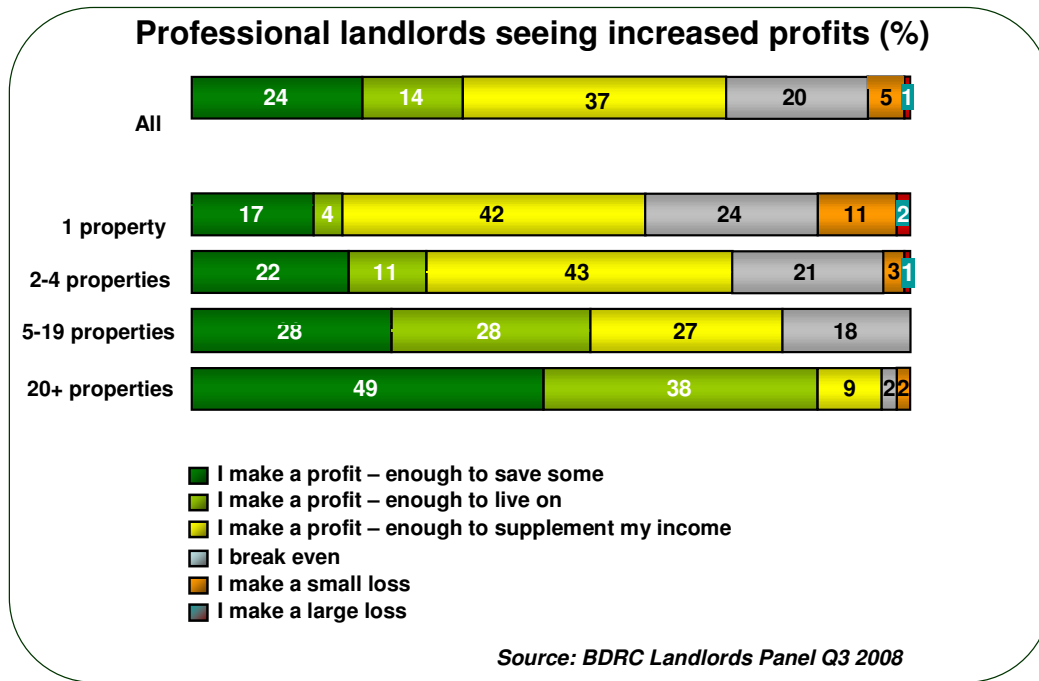
Increased demand for rented properties has pushed rents up

With the prospect of capital returns hardly increasing, the main focus for 60% of private landlords is rental yield. 17% plan to increase rents before the end of the year by an average of 5.7% and more than a third (38%) had already increased rents in the past 12 months.

Not only has the increased demand meant that rents can be increased in a private landlords' market, but the availability of cheaper properties has also encouraged more to buy, with more than one in five stating their intention to buy before the end of the year.

Professional landlords see silver lining

However, not every private landlord in Britain is out making hay as the sun shines. Whilst there are definite signs of recovery in overall profitability levels, the increase is driven by professional landlords turning higher profits in the current climate (see chart).



Only 63% of those with one property are making a profit, compared to 96% of those owning 20 or more rentals. Not surprisingly, these landlords have the most confidence in the longer-term prospects of their property as an investment and at 49% are most likely to be looking for additional borrowing in the coming three months.

Mark Long, Client Services Director at BDRC, says “There are certainly signs in our latest quarter’s research that the financial situation is improving for private landlords, many of whom have either increased rents, or are planning to do so. An increased number of people looking to rent is good news for private landlords – but in such an uncertain market, who can tell if that optimism will last even to the New Year?”

Ends

Note to editors:

The eighth wave of the BDRC Landlords Panel was carried out at the end of the third quarter of the year in September 2008 and consisted of 509 x 30 minute online surveys with residential property landlords. Participants need to own at least one residential or holiday property in the UK. The majority had residential lets. The participants are measured against data from the Association of Residential Letting Agents (ARLA) to ensure that the sample represents the total UK population of landlords by their letting portfolio. There have been seven previous waves of the BDRC Landlords Panel in October 2006, February 2007, May 2007, August 2007, December 2007, March 2008 and June 2008. The next wave is scheduled for December 2008.

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About BDRC

Founded in 1991, Business Development Research Consultants is a leading full service market research agency. Working primarily for service organisations, the company specialises in hotels, finance, travel and tourism and mobile telephony. The acquisition of Continental Research at the beginning of 2008 added media and advertising, public sector and technology research expertise to the portfolio of market sectors covered. Headquartered in London, BDRC works internationally and has additional representation in South Africa and Asia.

For more information, please visit www.bdrc.co.uk.